

Overview

Tourism continues to play a major role in Missouri's economy, accounting for 3.2% of total Gross State Product (GSP) and just over 6% of total employment. According to the U.S. Travel Data Center, Missouri had nearly 35.6 million visitors and \$5.72 billion in direct tourism expenditures in FY2002.

One drawback to an otherwise vibrant state tourism sector is the wage levels of the jobs the tourism industry supports. The average annual wage across Missouri's tourism related industries is only \$20,970, nearly 37% less than Missouri's annual average wage across all industries.

Tourism Employment Profile

In 2002 Missouri businesses reported 271,085 jobs in tourism related industries, with over \$5.7 billion paid in tourism wages (ES-202).¹ Employment in tourism related industries represents more than 10% of Missouri's total employment, with wages accounting for 6.5% of total wages.

Although there are many tourism related jobs, the vast majority of them are low-skill positions, translating into low wages. Computing the average annual wage for the tourism industry reinforces this fact. The average annual wage in the tourism industry is only \$20,970, nearly 37% less than Missouri's annual average wage across all industries.

Table 1. Missouri Tourism Employment and Wages, 2002

Industry	Total Employment	Total Wages	Annual Average Wage
All Industries	2,630,719	\$87,092,968,629	\$33,106
Tourism Industry	272,630	\$5,716,924,092	\$20,970
Tourism % of All Industries	10.4%	6.6%	63.3%

¹ This report defines Missouri's tourism industry using the North American Industry Classification System (NAICS). The NAICS coding system allows for a more detailed delineation of tourism-oriented industries than the old Standard Industrial Classification (SIC) system. A complete listing of NAICS codes used to define Missouri's tourism industry can be found in Appendix A.

As one might expect, tourism employment comprises the largest percentage of total regional employment in the Springfield Region, due mainly to the Branson area. The Lower East Central Region, which includes Cape Girardeau, ranks second with 15.7% of total regional employment stemming from tourism jobs. Table 2 highlights the total tourism employment of Missouri's thirteen economic regions. A listing of Missouri counties by region can be found in Appendix B.

Wage rates for tourism related jobs are highest in West Central, Springfield and the Lake Ozark regions when compared to regional average wages for all industries. They are lowest in comparison to regional average wages in the South West, North West and North Central regions.

Table 2. Missouri Tourism Employment by Region, 2002²

Region	Tourism Employment	All Industry Employment	Tourism Employment as % of Total Regional Employment
Bootheel	6,043	62,246	9.7%
Central	15,339	126,885	12.1%
Kansas City Metro	58,135	445,797	13.0%
Lake Ozark	7,484	62,932	11.9%
Lower East Central-Cape	11,352	72,187	15.7%
North Central	1,472	19,514	7.5%
North East	4,497	36,932	12.2%
North West	6,365	54,472	11.7%
South Central	2,585	25,670	10.1%
Springfield	28,967	175,689	16.5%
Saint Louis Metro	113,158	942,369	12.0%
South West	10,103	103,966	9.7%
West Central	5,584	44,784	12.5%

² When analyzing regional data, MERIC omitted jobs classified as having out-of-state locations, foreign locations, and unknown locations. Because these positions could not be assigned to specific regions, that data was left out of regional estimates. For this reason, totals of regional employment will not match exactly with the statewide total found in Table 1. Likewise, these positions were not counted in the regional impact analysis.

Map 1. Tourism Employment as a Percentage of Regional Employment

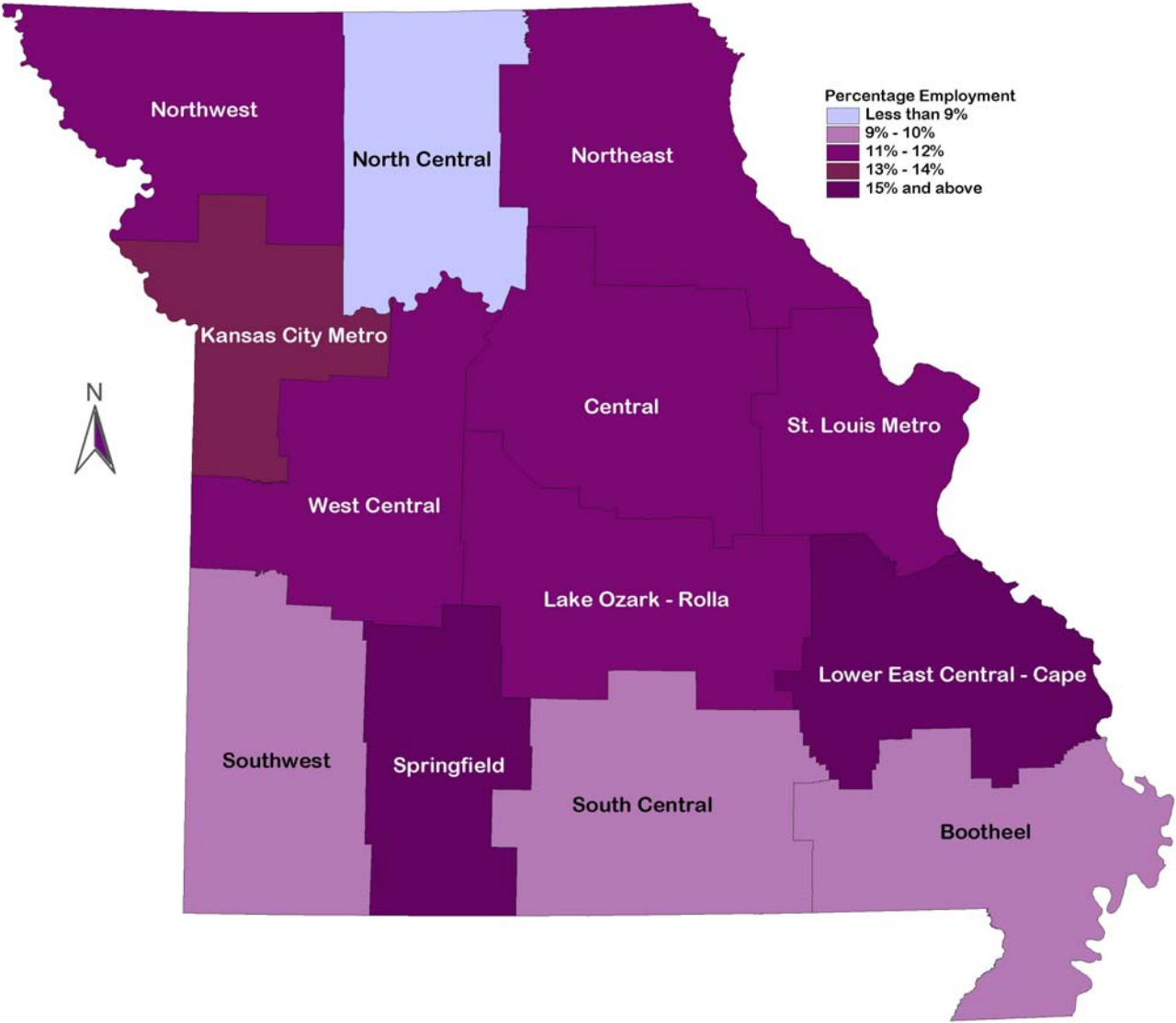
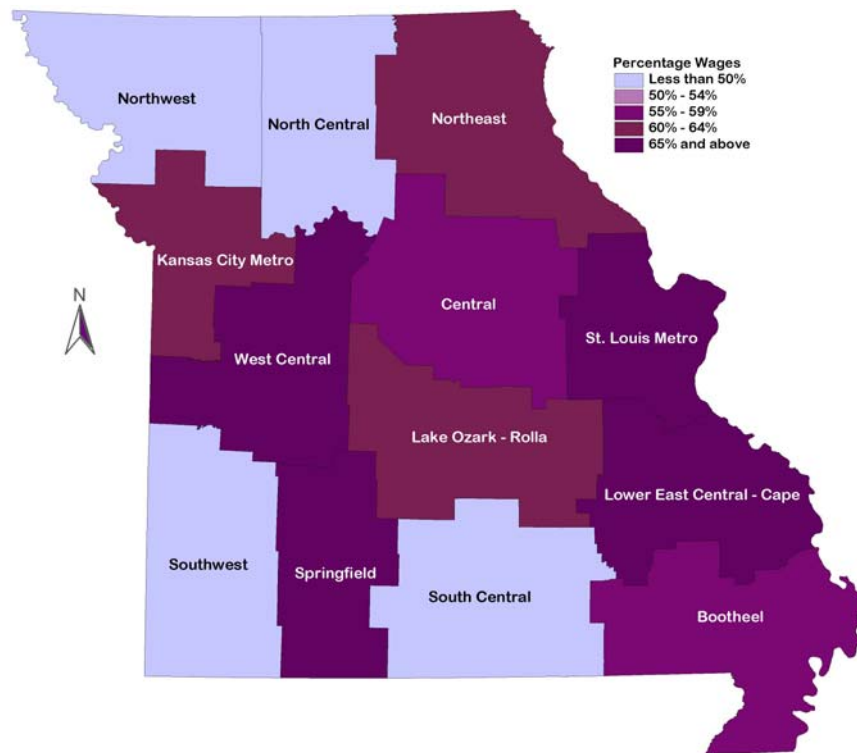


Table 3. Missouri Tourism Wages by Region, 2002

Region	Average Tourism Wages	Average Wages All Industries	Tourism Wages as % of Regional Average
Bootheel	\$13,092	\$22,445	58.3%
Central	\$15,090	\$25,862	58.3%
Kansas City Metro	\$22,692	\$36,421	62.3%
Lower East Central-Cape	\$13,049	\$21,753	60.0%
Lake Ozark	\$16,495	\$24,871	66.3%
North Central	\$10,388	\$21,794	47.7%
North East	\$14,456	\$22,972	62.9%
North West	\$12,474	\$26,155	47.7%
South Central	\$9,616	\$19,515	49.3%
Springfield	\$17,722	\$26,020	68.1%
St. Louis Metro	\$25,236	\$38,480	65.6%
South West	\$11,348	\$25,198	45.0%
West Central	\$15,920	\$22,620	70.4%

Map 2. Tourism Wages as a Percent of Regional Average Wages



Economic Impact of Missouri's Tourism Industry

The REMI economic modeling software was used to estimate the economic impact of tourism in Missouri. The model is a comprehensive economic forecasting tool that incorporates Missouri specific data. The dynamic structure of the model allows for estimating both direct and indirect effects of an industry. Calculating these direct and indirect effects, MERIC has estimated Missouri's tourism related industries account for over 8.5% of Missouri's Gross State Product (GSP) and nearly 17.5% of Missouri's total employment.

These figures assume 100% of economic activity within these industries is driven solely by tourists. The figures can be seen in Table 3. However, not all of this economic activity can be attributed to tourists alone. For instance the definition of tourism industries includes restaurants, recreation and entertainment venues, hotels, etc, which may be frequented by area residents and businesses.

Table 3. Total Economic Impact of the Tourism Industry in Missouri

Region	Gross State Product (1996\$)		Employment	
	Number	Percent of Total	Number	Percent of Total
Bootheel	\$220,200,000	3.71%	7,755	0.29%
Central	\$699,500,000	5.31%	22,100	0.84%
Kansas City - Jackson	\$2,611,000,000	7.00%	67,770	2.58%
Kansas City Metro	\$816,500,000	24.92%	27,480	1.04%
Lower East - Cape Girardeau	\$336,400,000	5.01%	10,840	0.41%
Lake Ozark - Rolla	\$503,200,000	6.45%	15,670	0.60%
North Central	\$65,810,000	3.01%	2,069	0.08%
Northeast	\$168,300,000	4.06%	5,851	0.22%
Northwest	\$294,000,000	5.22%	9,378	0.36%
South Central	\$101,900,000	3.35%	3,441	0.13%
Springfield	\$1,666,000,000	10.31%	46,030	1.75%
St. Louis City	\$2,360,000,000	12.92%	49,380	1.88%
St. Louis Metro	\$6,759,000,000	11.32%	169,500	6.44%
Southwest	\$425,900,000	4.13%	13,950	0.53%
West Central	\$246,900,000	4.35%	7,868	0.30%
MISSOURI	\$17,270,000,000	8.67%	459,000	17.45%

Source: REMI 5.4 Includes direct and indirect effects.

In order to estimate a more accurate picture of tourism's impact on Missouri's economy, MERIC has calculated a percentage of economic activity for each industry sector to use as attributable economic activity derived solely from tourists.

Using calculations similar to the Missouri Division of Tourism (MDT), MERIC has assumed 10% of retail and rental activity, 30% of amusement, recreation, restaurants, and parks, and 60% of hotels and transportation is attributable to Missouri's Tourism industry.³

Based on these assumptions, MERIC has concluded Missouri's Tourism industry accounts for 3.2% of the total GSP and just over 6% of total employment.

Table 4. Total Economic Impact of the Tourism Industry in Missouri

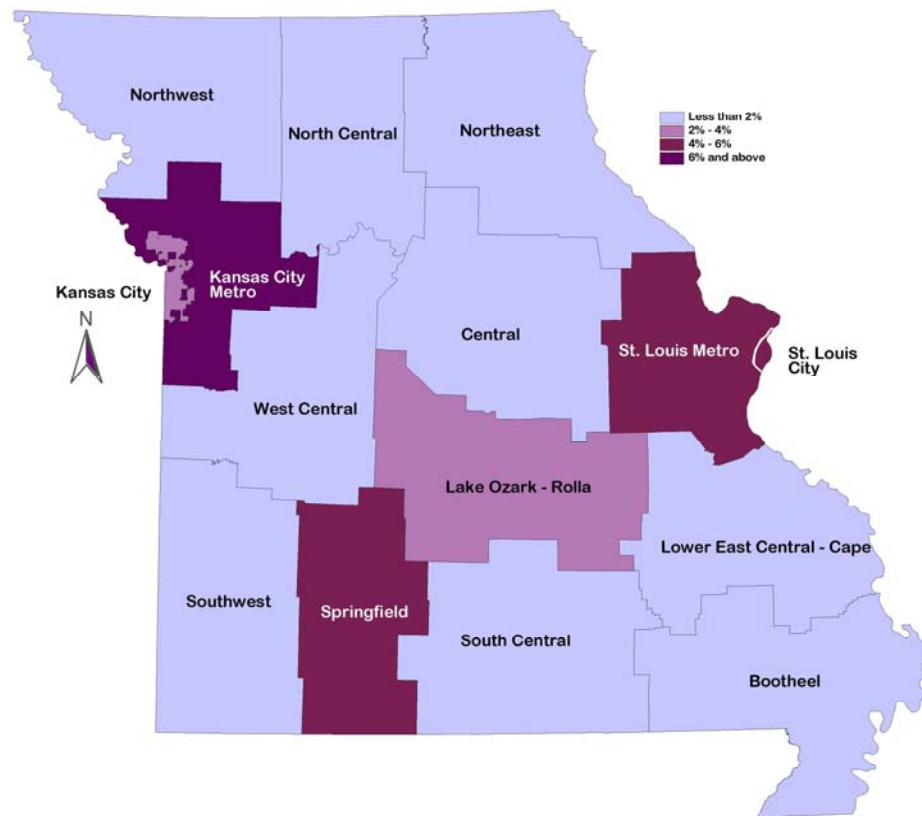
Region	Gross State Product (1996\$)		Employment	
	Number	Percent of Total	Number	Percent of Total
Bootheel	\$77,670,000	1.31%	2,590	0.10%
Central	\$250,000,000	1.90%	7,515	0.29%
Kansas City - Jackson	\$958,500,000	2.57%	23,820	0.91%
Kansas City Metro	\$298,600,000	9.11%	9,383	0.36%
Lower East - Cape Girardeau	\$120,700,000	1.80%	3,703	0.14%
Lake Ozark - Rolla	\$200,300,000	2.57%	5,892	0.22%
North Central	\$23,810,000	1.09%	711	0.03%
Northeast	\$60,100,000	1.45%	1,973	0.07%
Northwest	\$100,400,000	1.78%	3,069	0.12%
South Central	\$36,830,000	1.21%	1,178	0.04%
Springfield	\$666,800,000	4.13%	17,310	0.66%
St. Louis City	\$831,300,000	4.55%	17,180	0.65%
St. Louis Metro	\$2,518,000,000	4.22%	59,760	2.27%
Southwest	\$148,600,000	1.44%	4,639	0.18%
West Central	\$88,260,000	1.56%	2,652	0.10%
MISSOURI	\$6,380,000,000	3.20%	161,400	6.14%

Source: REMI 5.4 Includes direct and indirect effects.

³ MERIC arrived at these percentages by dividing the base tourism sales (MDT, Kaylen 2003) by total sales in that industry from the REMI model.

As shown in Table 4, the state's large urban areas are those most impacted by tourism economic activity. For example, tourism accounts for slightly more than 9% of the Kansas City Metro region's Gross Regional Product (GRP). Following the Kansas City Metro region are the St. Louis City, St. Louis Metro and the Springfield regions, each with 4-4.5% of their GRP derived from tourism. The North Central and South Central regions are the least impacted by tourism, with 1.09% and 1.21% of economic activity stemming from tourism related expenditures.

Map 3. Tourism GSP as a Percentage of Regional GSP



Summary

Clearly tourism plays an important role in Missouri's economy, providing a variety of employment options and serving as a means for generating economic activity. Unfortunately, many of the jobs supported by the tourism industry are low-wage, low-skill jobs.

Appendix A. Tourism Industry by NAICS Code

NAICS	Description	NAICS	Description
114210	Hunting and Trapping	712130	Zoos and Botanical Gardens
312120	Breweries	712190	Nature Parks and Other Similar Institutions
312130	Wineries	713110	Amusement and Theme Parks
453220	Gift, Novelty, and Souvenir Stores	713210	Casinos (except Casino Hotels)
487110	Scenic and Sightseeing Transportation, Land	713290	Other Gambling Industries
487210	Scenic and Sightseeing Transportation, Water	713910	Golf Courses and Country Clubs
487990	Scenic and Sightseeing Transportation, Other	713920	Skiing Facilities
532292	Recreational Goods Rental	713930	Marinas
561510	Travel Agencies	713990	All Other Amusement and Recreation Industries
561520	Tour Operators	721110	Hotels (except Casino Hotels) and Motels
561591	Convention and Visitors Bureaus	721120	Casino Hotels
561599	All Other Travel Arrangement Services	721191	Bed-and-Breakfast Inns
611620	Sports and Recreation Instruction	721199	All Other Traveler Accommodation
611699	Miscellaneous Schools and Instruction	721211	RV Parks and Campgrounds
711110	Theater Companies and Dinner Theaters	721214	Recreational and Vacation Camps
711120	Dance Companies	721310	Rooming and Boarding Houses
711130	Musical Groups and Artists	722110	Full-Service Restaurants
711190	Other Performing Arts Companies	722211	Limited-Service Restaurants
711211	Sports Teams and Clubs	722212	Cafeterias
711212	Race Tracks	722213	Snack and Nonalcoholic Beverage Bars
711219	Other Spectator Sports	722310	Food Service Contractors
711310	Promoters with Facilities	722320	Caterers
711320	Promoters without Facilities	722330	Mobile Food Services
712110	Museums	722410	Drinking Places (Alcoholic Beverages)
712120	Historical Sites		

Appendix B. Missouri Counties by Region

South Central	Springfield	St. Louis Metro	Kansas City Metro
Douglas	Christian	Franklin	Cass
Howell	Dallas	Jefferson	Clay
Oregon	Greene	Lincoln	Clinton
Ozark	Polk	St. Charles	Jackson
Shannon	Stone	St. Louis	Lafayette
Texas	Taney	Warren	Platte
Wright	Webster	St. Louis City	Ray
South West	Lake Ozark Region	Lower East Central-Cape	West Central
Barry	Camden	Bollinger	Bates
Barton	Crawford	Cape Girardeau	Benton
Cedar	Dent	Iron	Henry
Dade	Laclede	Madison	Hickory
Jasper	Maries	Perry	Johnson
Lawrence	Miller	Reynolds	Pettis
McDonald	Morgan	Ste. Genevieve	Saline
Newton	Phelps	St. Francois	St. Clair
Vernon	Pulaski	Washington	
North West	Central	Bootheel	North Central
Andrew	Audrain	Butler	Carroll
Atchison	Boone	Carter	Chariton
Buchanan	Callaway	Dunklin	Grundy
Caldwell	Cole	Mississippi	Linn
Daviess	Cooper	New Madrid	Livingston
DeKalb	Gasconade	Pemiscot	Mercer
Gentry	Howard	Ripley	Putnam
Harrison	Moniteau	Scott	Sullivan
Holt	Montgomery	Stoddard	
Nodaway	Osage	Wayne	
Worth	Randolph		
North East			
Adair			
Clark			
Knox			
Lewis			
Macon			
Marion			
Monroe			
Pike			
Ralls			
Schuyler			
Scotland			
Shelby			